

Medicaid

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Statement at the Hearing of the Subcommittee on Health and the Environment on the HHS Proposed Medicaid and Medicare Budget for Fiscal Year 1998 February 12, 1998

By Henry A. Waxman

Mr. Chairman, I appreciate the Subcommittee holding this hearing today to give Members an early opportunity to hear more about the Administration's budget proposals for the Medicaid and Medicare programs.

We all recognize that this is an initial hearing on this subject, and that many details of the policy reflected in this budget are unknown. That is particularly true with the Medicaid proposals.

But even knowing the limitations of the information we have at this point, there is a lot that we do know.

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We know, for example, that radical changes in the Medicaid program were considered extensively last year. We had before us a proposal to block grant the program, undo any enforceable guarantee of coverage or benefits, and weaken or eliminate many Federal protections for patients in nursing homes and their spouses, for vulnerable elderly and disabled people and their families, for low income Medicaid beneficiaries who needed to know that Medicaid would pay their Medicare premiums.

I recall that history not to revisit old fights, but to remind my colleagues that the debate that surrounded that radical proposal clarified for the American public in general and many members of this House in particular the importance of Medicaid

in protecting many very vulnerable people in our society,
in establishing and maintaining quality standards for nursing homes,
in covering many poor children who would otherwise be uninsured,
in serving as the program of last resort for severely disabled people who find other coverage in the health care system is not available to them.

We also know that projections of Federal Medicaid spending have consistently been lowered with each reestimate both by CBO and OMB. Today, we face the somewhat unique situation that projected spending on Medicaid for FYs 1998-2002 is actually lower than we were projecting just one year ago could be achieved even with drastic changes in the structure of the program.

Finally, we know that States and localities are currently struggling with the administrative and financial implications of the dramatic changes we made last year in the welfare program and in the coverage of legal immigrants.

The impact of those changes on who finds their way into Medicaid coverage will be substantial. Certainly we recognize that our goal of bringing eligible poor children into Medicaid coverage is in danger of being disrupted by the ripple effect of those welfare changes.

It is in the context of all of this that I am interested in examining the President's budget and legislative proposals for Medicaid.

Do they maintain the program's guarantee of enforceable benefits for the 41 million vulnerable children and elderly and disabled people who depend on Medicaid?

Will the Federal government bear its fair share of the financial responsibility to keep a strong program in place? To maintain nursing home quality standards? To protect spouses who would be impoverished when their partner enters a nursing home?

Will we be assured Medicaid will continue to pay the Medicare premium for low-income elderly and disabled individuals? To provide low-income children with quality health care? To provide them with the benefits they need to diagnose and treat their health problems?

A positive answer to those questions is the test this budget must meet.

I make no secret of my own view that cuts of the magnitude the President is proposing for Medicaid are too high, given the needs of the people who depend on the program and the reduction already occurring in the baseline. And I am greatly concerned that the per capita cap may become an excuse to undermine the protections that are so important in the program.

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(Rep. Waxman went on to discuss the Medicare proposals in the budget.)